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Recent Plans for Reopening the Suez Canal

When the Suez Canal was closed in 1967 it could accommodate vessels with 38-foot drafts -- adequate for dry cargo ships and tankers up to 50,000 DWT fully loaded or larger ships up to 150,000 DWT in ballast. This operational capability stemmed from completion by early in 1964 of the first two stages of the three-stage "Nasser Project" that was begun in 1958 and aimed at widening and deepening the Canal for transit of larger ships entering the world tanker fleet. Although work was under way to carry out the last stage of the project to deepen the Canal to 40 feet, it was far from complete at the time of the Canal closure.

We estimate that the Canal probably could be restored to its pre-1967 operating capacity in about six months at a cost of some \$40 million, excluding the cost of repair to associated installations. Costs could run substantially higher if larger quantities of equipment were employed to expedite the work. Estimates of restoration cost include \$10 million for the removal of 14 sunken vessels in the Canal that could be raised in about three months. Dredging costs could run as high as \$30 million and take about six months to complete; it is assumed that dredging operations and salvage work would be conducted simultaneously.

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Recent estimates of the cost of deepening the canal to accommodate loaded tankers of up to 270,000 DWT run as high as \$700 million. A project of this magnitude would require 5 to 10 years for completion. At the depth required for ships of this size (about 69 feet), less than 5% of present world tanker capacity would be excluded for reasons of size. With emphasis increasing on the acquisition of tankers larger than 270,000 DWT, as much as 25% of fleet capacity. could be too big to use the Canal when deepening to 67 feet is completed.

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